THERAPIX BIOSCIENCES

Therapix Biosciences Ltd.

Quarterly Report

3rd Quarter | 2016

CONTENTS

As of the Report Date, Therapix Biosciences Ltd. ("the Company") is a "small corporation" in accordance with the conditions stipulated in Regulation 5c to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970 ("the Regulations"). According to the decision of the Company's Board, the Company adopts and applies (to the extent that such application is relevant or irrelevant to the Company) several exemptions prescribed in the Regulations as follows:

1. **Increasing the materiality threshold in connection with the attachment of valuations to 20%[1];**
2. **Increasing the minimum requirement for attachment of financial statements of material associates to interim financial statements to 40% (the materiality threshold for attaching annual financial statements is (remains) 20%[2];**
3. **Exemption from adopting the provisions of the Second Addendum to the Regulations regarding (details of the exposure to market risks and their management (the Galai Report))[3];**
4. **Cancelling the duty to issue a report on internal control and an auditors' report on internal control thereby allowing the Company to attach only letters of representation that are limited in scope[4].**

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1 Regulation 5d(b)(1) to the Regulations. Pursuant to the ISA Staff legal resolution SLB 105-23, as last updated on July 16, 2014, regarding parameters for testing the materiality of valuations (and the interpretation of this legal position as last updated on December 27, 2015), "a very material valuation in a small corporation" is defined as a valuation:

(a) whose subject matter represents at least 20% of the Company's total assets; **or**

(b) whose effect of the change in value on the net income or comprehensive income, as applicable, represents at least 20% of total net income or comprehensive income, respectively, **and** the effect of said change represents at least 10% of the Corporation's equity.

2 Regulation 5d(b)(2) to the Regulations.

3 Regulation 5d(b)(3) to the Regulations.

4 Regulation 5d(b)(4) to the Regulations.

Therapix Biosciences Ltd.

Chapter A - Update to the Chapter of Description of the Corporation's Business to the Periodic Report for 2015[5] of Therapix Biosciences Ltd.[6]

("**the Annual Report**" and "**the Company**", respectively)

1. Update to paragraph 1 (the Corporation's activities and description of its business development) in Chapter A to the Annual Report

1.1 Focusing the Company's business strategy on cannabinoids

In the Reporting Period, the Company continued to concentrate its business activity on creating and enhancing a portfolio of technologies and assets based on cannabinoid therapeutics, in keeping with several other projects which the Company has already chosen to undertake in this area. In this context, the Company aims to pursue clinical research and development activities for cannabinoid-based therapies (by itself and/or through subcontractors and/or business collaborations), in order to achieve repurposing, repositioning and improvement of existing approved cannabinoid molecule-based drugs thereby minimizing the inherent risks of developing drugs that are based on new molecules as well as reducing the costs of development. Therefore, as of the Report Date, the Company is promoting two main development programs: the "Joint Pharma" program for developing a cannabinoid-based drug (THX-TS01) with an indication for Tourette's syndrome (by itself and/or through collaborating with third parties), using the entourage effect technology which is licensed by the Company (see paragraph 4.1 below), and the "BrainBright" program for developing a cannabinoid-based drug (THX-ULD01) with an indication for mild cognitive impairment (MCI) (including for delaying/preventing cognitive impairment and its deterioration to Alzheimer's) (see paragraph 4.2 below).

In addition, in the Reporting Period, the Company completed the sale of its entire interests in the subsidiary, Orimmune, to a third party and continues to take steps for the transfer of the Anti-CD3 technology, which is not at the core of the Company's operations, and the underlying assets (see more details in paragraph 7.6 below).

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5 The Company's Periodic Report for 2015 published on the MAGNA on March 23, 2016 (TASE reference: 2016-01-012633) ("**the Annual Report**").

6 The update was prepared in conformity with Regulation 39a to the Securities Regulations (Periodic and Immediate Reports), 1970 and consists of material changes or developments in the Company's business affairs, on any matters or events that occurred in the interim period and as of the date of issuing this update that require disclosure in the Annual Report (which has not been provided).

2. Update to paragraph 3 (the investments in the Company's capital and transactions in its shares) in Chapter A to the Annual Report

Following is a description of the investments in the Company's capital made in the Reporting Period and any other material off-market transactions conducted by interested parties in the Company in the Company's shares, to the best of the Company's knowledge:

2.1 Investments in the Company's capital

2.1.1 On August 18 and 19, 2016, the Company received requests for the exercise of 5,390,986 stock options held by Dekel Pharmaceuticals Ltd. ("**Dekel**") into 5,390,986 Ordinary shares of NIS 0.1 par value each of the Company ("**Ordinary shares**"). Of the total number of stock options exercised, Dekel requested to exercise 993,846 stock options by itself and the other requests consisted of exercise requests from third parties to which, to the best of the Company's knowledge, Dekel sold the stock options (see paragraph 2.2.1 below). It should be clarified that the remaining stock options held by Dekel (which were not exercised) expired on August 20, 2016 based on their terms. The proceeds from all the exercises of stock options as discussed above totaled approximately NIS 3.5 million[7].

2.2 Off-market transactions conducted by interested parties in the Interim Period

2.2.1 In keeping with the matter discussed in paragraph 2.1.1 above, to the best of the Company's knowledge, on August 18, 2016, Dekel sold 4,397,140 stock options which were held by it and are exercisable into the same number of Ordinary shares to various third parties. All these stock options were subsequently exercised into shares, as described above[8].

2.3 General

2.3.1 As part of the Company's plan to enhance the accessibility of foreign investors to the Company's activities and in keeping with its new business strategy, in late 2014, the Company completed the process of listing its Level 1 ADRs on the OTCQB in the US. Each ADR is comprised of 20 Ordinary shares of the Company which are traded OTC in the US under the symbol of THXBY[9].

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7 See the Company's immediate report of August 21, 2016 (TASE reference: 2016-01-106888).

8 See the Company's immediate report of August 22, 2016 (TASE reference: 2016-01-107998).

9 See the Company's immediate reports of May 28, 2014 (TASE reference: 2014-01-075777) and July 20, 2014 (TASE reference: 2014-01-117225). See also link to the OTCQB's website at http://www.otcmarkets.com/stock/THXBY/quote.

2.3.2 In the Interim Period, as in its ordinary course of business, the Company continued to examine borrowing alternatives for financing its operating and business activities, among others, as part of the Company's plans to expand the accessibility of additional (local and/or foreign) investors to the Company's operations and technologies under development. The Company occasionally examines its available financing options and alternatives, including by raising private and/or public capital, in Israel and/or abroad (including promoting the potential registration of its securities in a main stock exchange in the US), all based on the Company's needs and the decisions of its Board[10].

2.3.3 On November 4, 2016, the Company filed a Draft Form F-1 Registration Statement to the U.S. Securities and Exchange Commission ("**the SEC**") for registering the Company's securities for trade on the NASDAQ Capital Market, consisting of a Preliminary Prospectus of the Company's securities ("**the registration process**" and "**the Draft Registration Statement**", respectively). The format and scope of the Draft Registration Statement has not yet been decided and as of the date of this report, there is no certainty that the Company will indeed be able to consummate the registration process within the predetermined timeframe (if at all) and at what terms. It should be noted that the Draft Registration Statement is not final and has not yet become effective and therefore the Company is not obligated to complete the registration process and/or the IPO in the US[11].

Forward-looking information warning - the information and the Company's evaluations discussed above regarding the completion of the registration process and/or the IPO, including the format and terms thereof (if any), including the Company's forecasts, deadlines, evaluations and/or plans in connection therewith all represent forward-looking information, as this term is defined in the Israeli Securities Law, 1968 ("the Securities Law"), which involves a high degree of uncertainty and is based, among others, on third parties and numerous variables over which the Company does not necessarily exercise control, and therefore, these information and evaluations might not materialize and/or might not materialize in full and/or might materialize in a manner that is materially different from the manner previously estimated or anticipated. Among the factors that are liable to cause the information and the Company's evaluations regarding said information not to materialize as anticipated are: failure to obtain regulatory approvals in Israel and/or in the US that are needed to complete the registration process on the predetermined dates, or at all, changes in market trends, failure to achieve the desired terms, scope and format underlying the completion of the registration process and the realization of any of the risk factors detailed in paragraph 24 to the Annual Report.

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10 As for the registration intentions, see also a general overview in paragraph 2.2.3 to Chapter A (Update to the Chapter of Description of the Corporation's Business) to the Company's interim report for the first quarter of 2016 of May 31, 2016 (TASE reference: 2016-01-041523) and paragraph 2.3.2 to Chapter A (Update to the Chapter of Description of the Corporation's Business) to the Company's interim report for the second quarter of 2016 of August 11, 2016 (TASE reference: 2016-01-102289).

11 See the Company's immediate reports of November 6, 2016, 2016 (TASE reference: 2016-01-072489) and November 6, 2016, 2016 (TASE reference: 2016-01-072510).

In addition, this report and the Draft Registration Statement do not represent in any manner whatsoever an offer and/or sale of the Company's securities of any type in Israel, in the US and/or in any other country and are not aimed in any form whatsoever at addressing, soliciting and/or driving the public to purchase and/or offer the purchase of such securities. Any sale or offering of the Company's securities to the public in Israel, in the US and in any other country or jurisdiction will be performed in conformity with the securities laws that apply in the relevant country or jurisdiction, provided that they are registered for trade pursuant to a prospectus whose issuance has been approved (or exempted) by the Israeli Securities Authority ("the ISA"), the SEC or any other appropriately qualified regulatory authority, respectively, and a copy of which can be obtained solely from the Company as well as detailed information about the Company and its management and the relevant financial statements.

3. Update to paragraph 14 (human capital) in Chapter A to the Annual Report

3.1 Appointments

3.1.1 On September 1, 2016, Mr. Zohar Heiblum was appointed for a second term as external director in the Company[12].

3.1.2 On October 20, 2016, the Company's Board decided to add Mr. Stephen Sims as member of the Board in effect from December 1, 2016 (or on an earlier or later date, as agreed upon by the parties) ("**the new director**")[13].

3.2 Issuance of options

3.2.1 On November 6, 2016, provided that the appointment of the new director discussed in paragraph 3.1.2 above becomes effective, the Company's Remuneration Committee and Board approved the grant of 670,000 options to the new director, representing about 1.5% of the Company's issued and outstanding share capital (on a fully diluted basis) as of the date of this report. Notwithstanding the aforementioned, at this stage, the new director will not be entitled to any additional remuneration for his service (nor will he be entitled to a director's fee which is normally paid to the Company's other acting independent directors pursuant to the Companies Regulations (Rules of Remuneration and Expenses to External Director), 2000 ("**the offered capital remuneration**" or "**the offered options**", as applicable)[14].

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12 See the Company's immediate report of September 4, 2016 (TASE reference: 2016-01-117046).

13 This appointment is within the Board's authority pursuant to article 20(f) to the Company's articles of association, and provided that the appointment becomes effective on said date, it will remain effective until the end of the next general meeting which will appoint directors. See the Company's immediate report of October 27, 2016 (TASE reference: 2016-01-067965).

14 See more details in Appendix C to the Company's meeting notice report of November 7, 2016 (TASE reference: 2016-01-073995).

3.3 Master transaction for the purchase of officers' liability insurance policy

On November 6, 2016, subject to the completion of the registration process, the Company's Audit Committee and Board approved signing a master transaction, as this term is defined in the Companies Regulations (Reliefs in Transactions with Interested Parties), 2000, with an insurance company for the occasional purchase of insurance policies at certain terms and also approved the Company's engagement in a new D&O liability insurance policy based on said master transaction and the inclusion of the acting directors and CEO of the Company (and the other acting officers in the Company), as they will be from time to time. The master transaction terms meet the principles of the Company's remuneration policy[15].

3.4 Updated letter of indemnity to the Company's officers

On November 6, 2016, subject to the completion of the registration process, the Company's Remuneration Committee and Board approved updating the format of the Company's letter of indemnity and granting all acting directors (including the new director) and the Company's acting CEO (and the Company's other officers), as they will be from time to time, updated letters of indemnity. The terms of the updated letters of indemnity meet the principles of the Company's remuneration policy[16].

3.5 General meetings

3.5.1 On September 1, 2016, the Company held a special extraordinary general meeting of shareholders in which the Company's financial statements and board of directors' report for 2015 were presented and the following resolutions were made: reappointing the Company's auditors, extending the tenure of several acting directors (excluding the external directors whose tenure continues by law) and amending the Company's articles of association (including adding directives regarding indemnification and insurance in respect of administrative enforcement procedures)[17].

3.5.2 On November 10, 2016, a special meeting of the Company's shareholders which passed a resolution for amending the Company's articles of association (including, among others, adapting the Company's articles of association to comply with recent legislative amendments to the Companies Law and the regulations enacted thereunder, changing the majority needed for amending the Company's articles of association and increasing the Company's authorized share capital)[18].

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15 See more details in Appendix A to the Company's meeting notice report of November 7, 2016 (TASE reference: 2016-01-073995).

16 See more details in Appendix B to the Company's meeting notice report of November 7, 2016 (TASE reference: 2016-01-073995).

17 See more details in the Company's immediate reports of September 1, 2016 (TASE reference: 2016-01-116323), August 28, 2016 (TASE reference: 2016-01-111298), September 4, 2016 (TASE reference: 2016-01-117046), September 4, 2016 (TASE reference: 2016-01-117064) and September 4, 2016 (TASE reference: 2016-01-117184).

18 See more details in the Company's immediate reports of October 20, 2016 (TASE reference: 2016-01-066387), November 10, 2016 (TASE reference: 2016-01-076032) and November 10, 2016 (TASE reference: 2016-01-076140).

3.5.3 On November 7, 2016, the Company convened a special shareholders' meeting with the agenda of making the following decisions: transitioning to a reporting framework required by the US Securities Laws (subject to completion of the registration process), approving a master transaction for purchasing insurance policies, including purchasing a new insurance policy (subject to completion of the registration process), updating the format of the letters of indemnity granted to directors and other officers in the Company (subject to completion of the registration process), allocating options to the new director (subject to the Company's remuneration policy and for special reasons and provided that the new director's appointment becomes effective on the date determined in paragraph 3.1.2 above) and increasing the Company's authorized share capital[19].

4. Update to paragraph 11 (research and development) in Chapter A to the Annual Report

4.1 The "Joint Pharma" development program - preparations for the beginning of the clinical phase of the entourage technology for developing a drug for Tourette's syndrome

4.1.1 In the context of the development of the entourage technology under the license agreement signed between the Company and Dekel ("**the technology**" and "**the license agreement**", respectively)[20], and with the termination of the preclinical development phase of a technology-based medical formulation[21], as of the Report Date, the Company is preparing to begin phase IIa clinical proof of concept trials for the drug under development (THX-TS01), which combines cannabinoids (a combination of THC and PEA) for treating neurological disorders, initially with an emphasis on Tourette's syndrome ("**the drug under development**" or "**the drug**" and "**the clinical trial**", respectively)[22]. The Company believes that the PEA[23] can decrease and even prevent part of the side effects attributed to THC, together with the therapeutic activity of THC will improve the efficacy and safety of the combined therapy and the product that will be developed by it.

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19 See more details in the Company's immediate reports of November 7, 2016 (TASE reference: 2016-01-073995) and its amendment of November 14, 2016 (TASE reference: 2016-01-077358).

20 See details of the license agreement and the technology in Appendix E to the Company's (revised) transaction report of June 2, 2015 (TASE reference: 2015-01-038487) and paragraph 20.1 to Chapter A (Description of the Corporation's Business) to the Annual Report.

21 See the Company's immediate report of February 17, 2016 (TASE reference: 2016-01-029458).

22 Tourette's syndrome is a neurological disorder characterized by involuntary movements and vocalizations, involuntary muscular contractions (tics) and extreme stigmatization. First symptoms are diagnosed already in childhood, at the ages of 3 to 9. See more details in the Company's immediate report of August 4, 2015 (TASE reference: 2015-01-088677).

23 One of the most studied cannabinoids in entourage effect research is the palmitoylethanolamide (PEA), part of the endocannabinoid family derived from fatty acids. PEA has extensive pharmacological benefits such as relieving pain and inflammation. The entourage effect is based on using a combination of substances such as PEA together with other drugs both from the cannabinoid family and from other families of drugs such as opiates and steroids to enhance the drug's effect by reducing dosages while preventing unwanted side effects. See more details in paragraph 8.2 to Chapter A (Description of the Corporation's Business) to the Company's Annual Report of March 23, 2016 (TASE reference: 2016-01-012633) ("**the Annual Report**").

According to the Company's development plans, the clinical trial is expected to commence in the US in the course of December 2016 or shortly thereafter (depending on the date of completion of recruiting the first patients[24]), after the Company has obtained all the necessary regulatory approvals[25] for beginning the clinical trial of the drug[26]. The clinical trial, which is financed by the Company, will be conducted and managed by a team of researchers from Yale University, USA[27] under the iIND[28] clinical trial. The clinical trial is scheduled to be an open-label single-arm clinical trial for the daily oral administration of the drug and a follow-up period of 12 weeks (about three months) for each patient. The clinical trial is expected to host about 18 patients at the Yale University Medical Center in the US. The main objective of the clinical trial is to prove the safety, tolerance and efficacy of the drug treatment and assess its effect on adult patients displaying symptoms of Tourette's syndrome measured at the Yale Global Tic Severity Scale (YGTSS) in relation to the Total Tic Score which is the standard scale for assessing the severity of the symptoms. The trial will also investigate the effects of the medicinal treatment on the severity of other mental disorders which are often associated with Tourette's such as Obsessive-Compulsive Disorder (OCD) and Attention-Deficit/Hyperactivity Disorder (ADHD). According to the Company's development plans and evaluations, the estimated cost of the clinical trial for the Company is approximately US$ 600 thousand. The clinical trial is expected to begin in the course of December 2016 or shortly thereafter (subject to and after recruiting the first patients) and at this stage it is impossible to assess its conclusion date (depending mainly on the rate of recruiting patients). Simultaneously to this clinical trial, the Company intends to conduct another clinical trial for the drug in Europe in the second quarter of 2017 (also expected to be investigator initiated with the Company's funding). The European trial is expected to be a phase IIb randomized controlled double-blind double-arm clinical trial for the maximum bi-daily oral administration of the drug over a period of 13 weeks (about three months). Based on the results of these clinical trials, the Company intends to conduct an additional phase III randomized controlled multicenter double-blind double-arm clinical trial to assess the safety, tolerance and efficacy of the oral administration of the drug.

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24 In the context of the Company's preparations for conducting clinical trials it enters into engagements with medical centers for conducting the trial as well as with world renowned advisors and experts in the field of psychiatry in general and particularly those specializing in Tourette's syndrome to assist the Company in planning the trial and collaborate with the Company in conducting the trial, including in negotiations with the relevant local authorities. See also the Company's immediate report of May 24, 2016 (TASE reference: 2016-01-032166).

25 Approval by an Institutional Review Board (IRB) which is an independent ethics committee that operates in the United States under FDA regulations, corresponding to the Helsinki Committee, in addition to the FDA approval held by the Company for the iIND clinical trial.

26 See more details of the drug in paragraphs 8 and 11 to the Annual Report.

27 The two researchers leading the clinical trial also serve as members of the Company's Scientific Advisory Board.

28 iIND - (Investigator initiated) Investigational New Drug - an application for initiating a drug testing proceeding by the FDA for conducting clinical trials on humans submitted and by the investigators with the Company's funding. It should be clarified that according to standard terms of engagement with Yale University, any IP resulting from the clinical research and trial of a drug is co-owned by the company and Yale University.

4.1.2 To the best of the Company's evaluation, choosing the Tourette's syndrome indication will ultimately allow it to develop a product under the FDA's accelerated regulatory track (orphan drug)[29]. Accordingly, on June 2, 2016, the Company submitted an Orphan Drug Designation application to the FDA. The FDA's response[30] of September 29, 2016 requested that the Company produce additional data for the continue examination of its application ("**the requested additional data**")[31]. Accordingly, the Orphan Drug Designation application is in abeyance status at the FDA and will not be subject to further examination until the requested additional data is produced. The Company has 12 months from the date of receiving the FDA's request for receiving the additional data (with a possible extension) and the Company is currently preparing to provide the requested additional data as soon as possible whereby it estimates that in view of the nature and type of the requested data it will be able to produce it within the predetermined deadline. It should be clarified that the Company intends to use the information gathered in the clinical trial to support its Orphan Drug Designation application. However, it should also be clarified that as of the Report Date, no such designation has been obtained and at this stage the Company cannot evaluate whether the sought regulatory orphan drug designation will indeed be granted (if at all) and at what terms and/or the timeframe needed for achieving such designation. In this context it should be noted that to the best of the Company's knowledge, the FDA has previously granted Orphan Drug Designation to several different international biomed companies for drugs under development for treating Tourette's syndrome[32]. The Company intends to explore the possibility of submitting a similar application in Europe.

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29 To the best of the Company's knowledge, based on its regulatory advisors, an Orphan Drug Designation for a drug under development offers various benefits such as exclusive marketing right for a period of seven years from the drug's approval date; tax benefits; participation in development costs; assistance in regulatory processes - fast designation track; and full exemption from FDA drug registration fees etc.

30 The FDA Office of Orphan Products Development (OOPD).

31 The FDA mainly requested to receive additional data regarding the prevalence of Tourette's syndrome according to the various populations (namely, also among adults and infants and not only children aged 6-17, which the Company believes it holds to a sufficient degree) as well as additional clinical or preclinical support for the drug's efficacy in treating the disorder (mostly addressing the drug's proof of concept which is expected to be accomplished in the US clinical trial as discussed above). See also the Company's immediate reports of June 22, 2016 (TASE reference: 2016-01-061710) and November 9, 2016 (TASE reference: 2016-01-074865).

32 Mecamylamine, Atomoxetine Hydrochloride and Pimozide. See also on the US National Organization for Rare Disorders (NORD)'s website at: http://rarediseases.org/rare-diseases/tourette-syndrome.

4.2 The "BrainBright" development program - preparations for beginning the clinical phase of the ultralow dose technology for treating MCI (including Alzheimer's)

In the context of the development of the ultralow dose technology pursuant to the license agreement signed between the Company and Ramot ("**the technology**" and "**the license agreement**", respectively)[33], the completion of the development of the sublingual tablet's formulation which is expected to be used in the clinical trial (see paragraph 7.5 below)[34] and following the compilation of the data gathered in the technology's preclinical trial phase[35], the Company is finalizing the preparations towards commencing clinical trials of the technology. The Company estimates that a first clinical trial will be initiated in North America in the first quarter of 2017. The trial is expected to be a phase I open-label clinical trial for evaluating the drug's pharmacokinetics (absorption) and drug efficacy. According to scientific researches, the sublingual administration of the active ingredient (THC) in a designated formulation is preferable and more efficient compared to oral administration[36]. The Company then plans to conduct a phase IIa open-label randomized controlled clinical trial to prove the feasibility and assess the safety, tolerance and efficacy of the drug.

Forward-looking information warning - the Company's evaluations discussed above regarding the adaptation of the results of the preclinical trials to clinical trials, the effect of medical products based on the technologies and different combinations of active biological ingredients on minimizing and preventing the typical side effects of cannabinoids, additional trials that might be needed for continued development and approval of medical products based on the technologies, regulatory paths that will be required for product development as above, dates of beginning clinical trials of said products and/or their completion (including proof of safety and/or efficacy on humans), completion of the valuation processes and entering into engagements with relevant factors, obtaining the required approvals for the trials, dates of receiving product marketing approvals and dates of beginning product sales in the various markets, the receipt and timing of obtaining an Orphan Drug Designation (if at all) and the costs involving the research and development of the preclinical and/or clinical phases of the products, including the Company's forecasts, deadlines, evaluations, estimates and/or plans in connection therewith all represent forward-looking information, as this term is defined in the Securities Law, which is based on numerous and variable factors, including evaluations of third parties which are not under the control of the Company.

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33 See details of the license agreement and the technology in the Company's immediate report of February 15, 2016 (TASE reference: 2016-01-027988) and paragraph 20.2 to Chapter A (Description of the Corporation's Business) to the Annual Report.

34 See the Company's immediate report of October 27, 2016 (TASE reference: 2016-01-067842).

35 The development of the data was mainly carried out in the framework of the research work conducted by the Tel-Aviv University. See details in the Company's immediate report of February 15, 2016 (TASE reference: 2016-01-027988).

36 See for example, Clin Pharmacokinet, 2003;42(4):327-60.

In practice, the Company's evaluations, in whole or in part, could materially differ from the above evaluations. Among the factors that are liable to cause the Company's valuations to be materially different are the need for and/or prolongation of additional preclinical and clinical trials for the products being developed by the Company based on the technologies and/or demands for repeating clinical trials, failure to achieve the desired regulatory paths for the product's approval (whether in the context of an orphan drug indication or not and/or under an accelerated regulatory path), failure to demonstrate the product's clinical efficacy and/or safety on time and/or at all, change and/or aggravation of the approval policy of regulatory authorities with respect to approving and registering the products based on the technology for marketing, the duration of obtaining product marketing approval (if at all), failure to obtain the additional financing required for completion of development of the products and/or failure to enter into strategic collaboration agreements for completing the development of the medical product (including through sublicenses), entry of other competitors to the target markets of the products, change in the structure of the competition in the target markets of the products and other risk factors applicable to the Company's operations, as detailed in paragraph 24 to Chapter A (Description of the Corporation's Business) to the Annual Report.

It should also be emphasized that there is no certainty that additional preclinical and/or clinical trials will yield successful results, which in turn might require making adjustments to the Company's R&D plans, budgets and timetables and that the Company is exposed to additional risk factors, as described in paragraph 24 to Chapter A (Description of the Corporation's Business) to the Annual Report, which might significantly affect the Company's evaluations as above either jointly or severally.

5. Update to paragraph 12 (intangible assets) in Chapter A to the Annual Report

In the backdrop of license agreements underlying technologies and patents and/or binding MOUs for receiving such licenses which the Company has signed in connection with its present activity in the cannabinoid-based therapy market, following is a summary of the patents relied upon by the Company in developing its technologies and in its operations, some by virtue of license agreements which granted the Company rights to use these technologies and some based on patent applications submitted by the Company in connection with its research and development activity.

5.1 As of the Report Date, the Company's IP consists of one family of patents granted, including a US patent and patents granted in other countries. Also, as of the Report Date, the Company has nine pending patent applications, of which four in PCT or State status. The patent applications address the Company's technologies regarding licenses and/or binding MOUs for receiving licenses signed by the Company with Ramot at the Tel-Aviv University, Yissum the Research Development Company of the Hebrew University of Jerusalem, Dekel Pharmaceuticals and the Swiss Belvit.

5.2 The Company has rights to use patents and/or has submitted patent registration applications for the technologies which are the subject of the agreement and binding MOU signed with Dekel and Yissum, respectively:

Patent name and number	Patent description	Company rights in the patent	Countries in which they are approved	Projected expiration date of patent
COMPOSITIONS FOR NASAL DELIVERY (U.S. 8911751B2, EP 1933809B1, China 101325944B, Japan 5362360B2)	Nasal administration of drugs	Based on a license from Yissum (*)	US, Europe, China, Japan, Israel and India	2026-2028

(*) It should be clarified that the Company has not yet signed a final license agreement with Yissum. The parties are in advanced negotiation stages and the usage rights according to Yissum's patent will be determined in such final license agreement, if and when signed, and under the terms agreed upon between the parties.

5.3 Moreover, there are three applications in the Company's name and one application in Dekel's name for registering patents on enhancing the effect of cannabinoids, opioids and other drugs based on the N-acylthanolamines family which are expected to expire between 2029 and 2035, if and when registered.

5.4 The Company has rights based on patent registration applications in connection with the technology which is the subject of the binding MOUs signed with Ramot and Belvit (*), respectively:

Patent name and number	Patent description	Company rights in the patent	Projected expiration date of patent
Methods for treatment of cognitive decline	Use of ultralow doses of THC to treat MCI	Based on a binding MOU signed with Ramot	2035
Provisory	Formulation for sublingual administration od cannabinoids	Based on a binding MOU signed with Belvit (*)	2037

(*) The Company has not yet signed a final license agreement with Belvit and the usage rights according to the patent application will be determined in a final license agreement, if and when signed, and under the terms agreed upon between the parties.

6. Update to paragraph 19 (restrictions and regulations underlying the Company's operations) in Chapter A to the Annual Report

6.1 Approval of the Medical Cannabis Unit ("**MCU**"), the authorized unit in the Ministry of Health, which examines applications and issues permits to hold, use and research dangerous drugs under the Dangerous Drugs Ordinance. The MCU also examines medical recommendations to use cannabis for medical purposes, in in accordance with the established procedures. According to a 2016 amendment to Procedure 14 of the Pharmaceutical Administration (Human Testing) (and Appendix 6 to said Procedure)[37], trials that involve the use of cannabis require advance approval from the MCU for the trial's feasibility before the application is approved as well as the approval of the Director General of the Ministry of Health (or anyone authorized thereby) and of the MCU after the application has been approved by the Helsinki Committee in keeping with Procedures 105 and 106 of the Pharmaceutical Administration at the MOH. Accordingly, conducting trials and/or selling and marketing cannabis-based medical products requires MCU approval in addition to all other MOH approvals.

7. Update to paragraph 20 (material agreements) in Chapter A to the Annual Report

7.1 License agreement for the entourage technology (Dekel license). See details of progress made in the development activity under the license agreement for the entourage technology in paragraph 4.1.1 above.

7.2 In keeping with the Company's undertaking pursuant to the Dekel license and in view of the Company's compliance with the first milestone stipulated in the license agreement (completing successful preclinical trials of Dekel's technology)[38] and the receipt of the required regulatory approvals for commencing clinical trials on humans (as discussed in paragraph 4.1.1 above), the Company has undertaken towards Dekel, as per the license agreement, to pay an amount of US$ 25 thousand as the first milestone payment, payable at the Company's absolute discretion in cash or shares (at NIS 0.5 per Ordinary share of the Company) as determined in the license agreement[39]. As of the Report Date, the Company has not yet received any demand for payment from Dekel and has not yet decided how to pay its undertaking, see also Note 4d to the financial statements.

7.3 License agreement for the ultralow dose technology (Ramot license). See details of progress made in the development activity under the license agreement for the ultralow dose technology in paragraph 7.2 above.

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37 Appendix to Procedure on Medical Testing in Humans, 2014 - Cannabis Studies, July 2015.

38 As for the general terms of the Dekel license, see also paragraph 20.1 to Chapter A (Description of the Corporation's Business) to the Annual Report.

39 As described in paragraph 20.1 to Chapter A (Description of the Corporation's Business) to the Annual Report, according to the terms of the Dekel license agreement, the Company undertook to pay Dekel milestone payments as follows: US$ 25 thousand after achieving success in preclinical trials of Dekel's technology (in cash or in share capital at a price of NIS 0.5 per Ordinary share - "**in cash or in shares**"), at the Company's sole discretion; US$ 75 thousand after achieving success in phase I/IIa clinical trials of Dekel's technology (in cash or in shares); US$ 75 thousand after generating income (of US$ 200 thousand) from the sale of products based on Dekel's technology by Dekel and/or a third party or the receipt of FDA or EMA approval for a drug based on Dekel's technology (in cash or in shares).

7.4 Term sheet signed with Rhodes Technologies.

Following to the Company's report on the signing of a nonbinding term sheet between the Company and Rhodes Technologies, of the Purdue Pharma Group on December 20, 2015, which was extended to the middle of June 2016 ("**the term sheet**")[40], the parties are continuing to collaborate according to the master agreement and terms stipulated in the term sheet and are holding advanced negotiations towards signing a final agreement but there is no certainty that such agreement will indeed be signed and/or at what terms.

Forward-looking information warning - the Company's information and evaluations discussed above in connection with the signing of a final and binding agreement based on the term sheet and/or the terms of the final agreement and its implications on the Company, including the Company's forecasts, deadlines, evaluations and/or plans in connection therewith all represent forward-looking information, as this term is defined in the Securities Law, which involves a great degree of uncertainty and is based, among others, on outside factors and various variables which are not necessarily under the Company's control and therefore it is possible that such information and evaluations will not materialize in practice and/or will not materialize in full and/or will materialize in a manner that is materially different from that originally evaluated or anticipated. Among the factors that are liable to cause the Company's information and evaluations not to materialize as expected we should mention the failure to complete the negotiations between the Company and the US corporation and/or failure to reach understandings regarding the terms of a final and binding agreement to the satisfaction of both parties, the failure to obtain the necessary regulatory and/or government approvals, the absence of the necessary funding for conducting and/or completing the product's R&D activity, the failure of the preclinical and/or clinical trials of the product under development, the aggravation of regulatory approval policies in the market of the product under development, disagreements with authorities regarding the required regulatory outline of the product under development and/or prolongation of the process of obtaining regulatory approvals and the realization of any of the risk factors described in paragraph 24 to Chapter A to the Annual Report.

7.5 Binding memorandum of understandings signed with Belvit

On June 7, 2016, the Company entered into a binding memorandum of understandings ("**the MOU**") with Belvit LLC, a Swiss company that specializes in manufacturing drug tablets and chemical compounds ("**Belvit**"), whereby Belvit will grant the Company, among others, an irrevocable global exclusive royalty-bearing sublicensable license to use the former's low dose technology which is designed to allow maximum administration and absorption of the active THC through a sublingual tablet ("**the tablet**"). On October 26, 2016, the development phase of the unique formulation (preparing the chemical compound) of the tablet was successfully completed. The tablet is expected to be used in a clinical trial which is currently under preparation in connection with the Company's licensed ultralow dose technology[41]. See details of the development stages and preparations for the clinical trial in paragraph 4.2 above. The parties will be holding negotiations and taking steps towards signing a final and detailed license agreement yet there is no certainty that such agreement will be signed and/or at what terms, subject, among others, to the successful conclusion of a preliminary clinical trial of the technology.

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40 See the Company's immediate reports of December 21, 2015 (TASE reference: 2015-01-184680) and April 19, 2016 (TASE reference: 2016-01-051487).

41 See more details of the Ramot license also in paragraph 6.1 to Chapter A (Update to the Description of the Corporation's Business) to the Company's interim report for the first quarter of 2016 of May 31, 2016 (TASE reference: 2016-01-041523). See also the Company's immediate report of October 27, 2016 (TASE reference: 2015-01-067842).

7.6 Agreement for the sale of the Anti-CD3 technology

On June 22, 2016, the Company entered into a share transfer agreement (in this paragraph: "**the agreement**") with Orimmune Bio Ltd. (the Company's subsidiary[42]) and Karma Link Ltd.[43] (in this paragraph: "**Orimmune**" and "**the buyer**", respectively; collectively with the Company: "**the parties**") whereby the Company will sell its interests in Orimmune to the buyer and take steps to transfer its rights in the Anti-CD3 technology (mainly consisting of the Company's license from Hadasit Research Services & Development Ltd., the Technology Transfer Company of Hadassah Medical Organization which owns the technology)[44] and certain assets of the Company relating to the technology's development. On August 15, 2016, all the prerequisites underlying the consummation of the agreement for the transfer of the shares of Orimmune to a third party were met and the Company transferred its entire interests in Orimmune in such a manner that as of the date of consummation of the agreement, the Company no longer holds any interests in Orimmune. It should be clarified that as of the Report Date, the process of assigning the license to Orimmune has not yet been completed and the Company and Hadasit are jointly negotiating with the National Authority for Technological Innovation (formerly the Chief Scientist) to receive approval for assigning the license and approval for settling the registration of the current IP assets of the project products based on the technology in keeping with the Chief Scientist's requisites (according to the Chief Scientist's notification to the Company, the method of registration fails to meet the rules for receiving grants) and therefore there is no certainty that such approval will be received and/or at what terms. Until the completion of the license assignment (if accomplished), the buyer undertook to bear all the expenses and payments relating to the license (including payments for holding the patents under the license and payments for a pending patent opposition proceeding regarding a patent included in the license)[45]. Accordingly, the Company continues to take steps to assist in the assignment of the license to Orimmune, including certain IP assets developed by the Company in connection with the license, and in obtaining all the necessary approvals (in this paragraph: "**the license assignment process** ").

Subject to the completion of the license assignment process:

7.6.1 The Company will be entitled to a predetermined rate (which is a low double-digit number) of all receipts which the buyer (and its related parties, as defined in the agreement) will receive from Orimmune or from third parties in connection with the shares and/or assets of Orimmune, up to an aggregate of approximately NIS 40 million. For each receipt in excess of said aggregate amount, the Company will be entitled to a lower rate determined therefrom (also a low double-digit number).

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42 As of the Report Date, the Company holds about 83.58% of Orimmune's issued and outstanding share capital (about 90% on a fully diluted basis).

43 The buyer is a private company incorporated in Israel whose controlling shareholder, to the best of the Company's knowledge, is Mr. Ahmed Alimi, who served as director in the Company until February 2016.

44 The license agreement signed between the Company and Hadasit Research Services & Development Ltd. on March 25, 2010. See details of the license agreement with Hadasit in paragraph 20.8 to Chapter A (Description of the Corporation's Business) to the Annual Report and the Company's immediate report of March 28, 2010 (TASE reference: 2010-01-432594).

45 See the Company's immediate report of August 15, 2016 (TASE reference: 2016-01-103546).

7.6.2 The Company will assign to the buyer its right to increase its interests in Orimmune's share capital according to the investment agreement of September 2, 2013 signed between the Company, Orimmune and Acebright Holdings Limited (another shareholder in Orimmune)[46].

7.6.3 During the interim period until the completion of the license assignment process, the buyer will bear the entire payments in respect of the license and/or resulting therefrom (including payments for holding the patents under the license and including payments for a pending patent opposition proceeding involving the license). These amounts are non-recoverable[47]. During the interim period, any revenues that are received by the Company from the technology's commercialization will be delivered to Orimmune, less various fees and expenses payable in respect of the license and additional payments which the Company is entitled to receive, as discussed above.

7.6.4 It is clarified that the completion of the license assignment process is not a condition for the completion of the agreement and failure to complete the license assignment process (subject to the terms of the agreement) will not represent violation of the agreement by the Company.

The Company does not expect the agreement to yield it any significant income (if and insofar as royalties are ultimately paid according to the agreement). If the technology is not assigned to Karma Link as described above, the license and technology will be returned to the Company and the Company has no intention of pursuing the license. The Company estimates that the above scenario will not affect its current business ventures in the cannabinoid-based drug market. Following the consummation of the agreement, the Company recorded an immaterial gain in its financial statements.

<u>Forward-looking information warning</u> - the Company's information and evaluations discussed above in connection with the completion of the license assignment process within said dates (or at all) and the conditions underlying the assignment, and the accounting implications arising from the completion of the license assignment process and the effects of such assignment on the Company's operations and business, including the Company's forecasts, deadlines, evaluations and/or plans in connection therewith all represent forward-looking information, as this term is defined in the Securities Law, which involves a great degree of uncertainty and is based, among others, on third parties and various variables which are not necessarily under the Company's control and therefore it is possible that such information and evaluations will not materialize in practice and/or will not materialize in full and/or will materialize in a manner that is materially different from that originally evaluated or anticipated. Among the factors that are liable to cause the Company's information and evaluations not to materialize as expected we should mention the failure to obtain the requested terms and necessary approvals for the agreement's completion (including and without derogating from the aforementioned, of the Chief Scientist), the failure to complete the license assignment process and to obtain the necessary approvals (regulatory, government and other) and the realization of any of the risk factors described in paragraph 24 to Chapter A to the Annual Report.

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46 See details of said investment agreement in paragraph 20.9 to Chapter A (Description of the Corporation's Business) to the Company's Annual Report and the Company's immediate reports of September 3, 2013 (TASE reference: 2013-01-136041), October 6, 2013 (TASE reference: 2013-01-158064) and December 23 and 25, 2013 (TASE references: 2013-01-104890 and 2013-01-107896).

47 Including in respect of costs of defense against the registered patent opposition filed in connection with the license, as detailed in the Company's immediate report of February 4, 2016 (TASE reference: 2016-01-022765).

7.7 Binding memorandum of understandings with Yissum Research Development Company of the Hebrew University of Jerusalem Ltd.

On July 3, 2016, the Company entered into a binding memorandum of understandings (in this paragraph: "**the MOU**") with Yissum Research Development Company of the Hebrew University of Jerusalem Ltd. ("**Yissum**") according to which Yissum will grant the Company an exclusive license to use the technology developed by the Hebrew University of Jerusalem for the nasal administration of cannabinoids to develop, manufacture, sell, distribute, market and commercialize products based on this technology. The parties will hold negotiations and take steps towards signing a final and detailed license agreement based on the terms of the MOU (in this paragraph: "**the final license agreement**")[48]. The engagement in the final license agreement is subject, among others, to the completion of a proof of concept study and evaluation of the technology to the Company's satisfaction and at its expense during a period of 60 days from the date of signing the MOU and to the finalization of the negotiations on the terms of the final license agreement within an additional period of 60 days from said date.

During these periods, Yissum undertakes not to hold negotiations and/or grant any rights in connection with the technology. The MOU will expire once final agreements are signed (or upon receiving notice by either of the parties of their inability to approve the MOU), or through mutual consent. The Company wishes to use the technology first in the context of the development project of a drug to treat MCI, which it promotes through the ultralow dose technology and auxiliary technologies. As of the Report Date, the parties extended the validity of the MOU to December 31, 2016 to allow the parties to complete the negotiations and promote the signing of a final license agreement despite the uncertainty involving the signing of such agreement and/or its terms[49].

Forward-looking information warning - the Company's information and evaluations discussed above in connection with the completion of the final license agreement on the predetermined dates, including the completion of the license grant process within said dates (or at all), including the Company's forecasts, deadlines, evaluations and/or plans in connection therewith all represent forward-looking information, as this term is defined in the Securities Law, which involves a great degree of uncertainty and is based, among others, on third parties and various variables which are not necessarily under the Company's control and therefore it is possible that such information and evaluations will not materialize in practice and/or will not materialize in full and/or will materialize in a manner that is materially different from that originally evaluated or anticipated. Among the factors that are liable to cause the Company's information and evaluations not to materialize as expected we should mention the counterparty's failure to sign the engagement for its completion, the failure to obtain the necessary approvals (regulatory and other), the failure to obtain regulatory and/or government approvals and the realization of any of the risk factors described in paragraph 24 to Chapter A to the Annual Report.

48 See more details of the MOU in the Company's immediate report of July 4, 2016 (TASE reference: 2016-01-073645).

49 See the Company's immediate report of November 20, 2016 (TASE reference: 2016-01-080175).

7.8 Nonbinding memorandum of understandings with Rafa[50]

On November 6, 2016, a nonbinding memorandum of understandings was signed between the Company and Rafa Laboratories Ltd., a pharmaceutical company ("**the MOU**" and "**Rafa**", respectively) for collaborating in conducting clinical research for proof of concept of the development by the Company of a drug for treating various medical indications characterized by lower abdominal pain ("**the research**", "**the indication**" and "**the drug under development**", respectively). The Company is preparing to conduct a proof of concept clinical trial of the drug under development for treating the indication, as above. In the clinical trial, the Company will use its licensed entourage technology for combining a PEA with an approved cannabinoid-based drug[51] ("**the trial**", "**the PEA**" and "**the approved drug**", respectively). According to the MOU, the parties will take steps towards signing a final and binding agreement within about four months from the date of signing the MOU (or on another date as agreed upon between the parties) according to which, among others, Rafa will provide the Company, at its expense, the approved drug at the quantity needed for conducting the trial and manage the logistic and regulatory aspects of the trial including financing the related expenses, all for worldwide exclusive rights (excluding North America) to manufacture the drug under development and market it in Israel. The IP rights underlying the combination of the PEA with the approved drug in the drug under development for treating lower abdominal pain and other, including the indication, will be solely owned by the Company. It should be emphasized that as of the Report Date, there is no certainty that the parties will indeed enter into a final and binding agreement and/or at what terms.

Forward-looking information warning - the Company's information and evaluations discussed above in connection with the signing of a final and binding agreement and the terms of such final agreement and its implications on the Company's operations, including the Company's forecasts, deadlines, evaluations and/or plans in connection therewith all represent forward-looking information, as this term is defined in the Securities Law, which involves a great degree of uncertainty and is based, among others, on third parties and various variables which are not necessarily under the Company's control and therefore it is possible that such information and evaluations will not materialize in practice and/or will not materialize in full and/or will materialize in a manner that is materially different from that originally evaluated or anticipated. Among the factors that are liable to cause the Company's information and evaluations not to materialize as expected we should mention the failure to complete the negotiations and/or reach understandings on the terms of the final and binding agreement to the parties' satisfaction, the failure to obtain regulatory and/or government approvals, the absence of funding needed for conducting and/or completing the product's R&D, the failure of preclinical and/or clinical trials of the product under development, the enactment of stricter policies that require regulatory approvals for the product under development, potential disagreement with the authorities regarding the regulatory outline of the product under development and/or delays in obtaining regulatory approvals and the realization of any of the risk factors described in paragraph 24 to Chapter A to the Annual Report.

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50 See the Company's immediate report of November 7, 2016 (TASE reference: 2016-01-073128).

51 Dronabinol, an FDA approved prescription drug which contains an active cannabinoid, THC. Cannabinoids are a class of diverse chemical compounds that act on cannabinoid receptors in the body (CB1 and CB2). Cannabinoids participate in a large number of physiological processes and are used to treat a large variety of medical conditions. See more details, for example, in paragraphs 7 and 8 to Chapter A (Description of the Corporation's Business) to the Annual Report.

8. Update to paragraph 21 (legal proceedings) in Chapter A to the Annual Report

8.1 Following to the Company's previous reports of early 2014 regarding Ramot's announcement of the cancellation of the license for its BBS technology that had been granted to NasVax Ltd. (the Company's former name when it operated in the immunotherapy segment until about two and a half years ago. This operating segment is no longer associated with the Company's current operating segment in the cannabinoid market)[52], and following to the Company's update of early 2015 regarding an administrative inquiry held by the ISA in connection with this affair, on August 18, 2016, the Company received from the ISA an administrative statement of claim submitted to the ISA's Administrative Enforcement Committee against the Company and four other respondents, including the Company's acting Chairman of the Board. According to the statement of claim, the Company and the other respondents allegedly committed a series of administrative violations[53] in connection with the events mentioned in the claim. The Company categorically dismisses all the arguments against it in the statement of claim and intends to respond to them by the predetermined deadline, November 22, 2016. The ISA's Administrative Enforcement Committee has the authority to impose monetary and other sanctions on the respondents in the context of the proceeding (including preventing certain officers from serving in public companies). Moreover, the ISA is authorized to prevent the Company from issuing a shelf prospectus for offering its securities to the public in the context of said proceeding. See also Note 3m to the financial statements[54].

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52 See the Company's immediate reports of January 13, 2014 (TASE reference: 2014-01-013072), January 29, 2014 (TASE reference: 2014-01-026068) and March 15, 2015 (TASE reference: 2015-01-051955).

53 Among others, the administrative violations relate to: inclusion of misleading information in a shelf offering report and periodic report in relation to the disclosure of the nature and implementation of material information regarding a material agreement signed by the Company; failure to file a report on a material event in a timely manner; the inclusion of misleading information in an immediate report; and the deception of the ISA. See the Company's immediate report of August 21, 2016 (TASE reference: 2016-01-106831).

54 In this context it should be mentioned that according to the Company's private placement agreement with Jesselson Investments Ltd. ("**Jesselson**"), an indirect interested party in the Company, the Company is obligated to compensate Jesselson, among others, if a monetary sanction is levied on the Company in connection with the enforcement proceedings detailed above, reaching an amount in excess of US$ 20 thousand, representing the entire amount of the sanction. The Company recorded a provision in the financial statements for the above proceedings, as described in Note 3m to the financial statements. Regarding the compensation agreement, see the Company's immediate report of March 30, 2015 (TASE reference: 2015-01-065656) and paragraph 3.3.4 to the Company's immediate report of April 7, 2015 (TASE reference: 2015-01-075517).

Forward-looking information warning - the Company's information and evaluations discussed above in connection with the ramifications of the administrative statement of claim, the potential monetary sanction which might be imposed on the Company as well as other possible sanctions imposed on the Company and/or acting officers therein by the ISA's Administrative Enforcement Committee and/or the ISA and any other authority, including the adequacy of the provision recorded by the Company in its financial statements all represent forward-looking information, as this term is defined in the Securities Law, which involves a great degree of uncertainty and is based, among others, on third parties and various variables which are not necessarily under the Company's control and therefore it is possible that such information and evaluations will not materialize in practice and/or will not materialize in full and/or will materialize in a manner that is materially different from that originally evaluated or anticipated. Among the factors that are liable to cause the Company's information and evaluations not to materialize as expected we should mention the conclusion of the proceedings held against the Company and/or the acting officer in the Company who is also a respondent in a manner that was not anticipated by the Company, delays in and/or prolongation of the inquiries and proceedings and the resulting costs which might exceed expectations, irregular and/or enhanced sanctions which might be imposed on the Company and/or the acting officer compared to expectations and/or a sanction imposed on the Company which effectively prevents it from raising capital from the public through shelf prospectuses and shelf offering reports in Israel in contrast to expectations and the difficulty of assessing at this stage the full implications of the administrative proceeding on the Company, including the potential exposures to class and/or derivative actions filed against the Company following such proceedings.

Respectfully,
Therapix Biosciences Ltd.

Date: November 20, 2016

Names of signatories in this Report and their position:

Dr. Ascher Shmulewitz, Chairman of the Board
Dr. Elran Haber, CEO
CPA Guy Goldin, CFO and Company Secretary

Therapix Biosciences Ltd.

Chapter B - the Report of the Board of Directors on the State of the Corporation's Affairs for the Interim Period

The Company's Board of Directors is hereby pleased to present the report of the Board of Directors on the state of affairs of Therapix Biosciences Ltd. (collectively with its subsidiaries - "**the Company**" or "**Therapix**") as of September 30, 2016 and for the periods of nine and three months then ended ("**the Report Date**" and "**the Interim Period**", respectively), prepared in conformity with the Israeli Securities Regulations (Periodic and Immediate Reports), 1970 ("**the Board of Directors' Interim Report**" and "**the Report Regulations**", respectively). The Board of Directors' Interim Report is attached to the interim consolidated financial statements ("**the Interim Financial Statements**") under the assumption that the readers of this report also have at their disposal the Interim Financial Statements. The financial data from the Interim Financial Statements attributable to the Company are also attached to this report ("**the Separate Interim Financial Statements**"; collectively with the Interim Financial Statements, as applicable - "**the Financial Statements**"). This Report should be read in conjunction with the Company's Financial Statements as of December 31, 2015 and with the Report of the Board of Directors on the State of the Corporation's Affairs for the year ended December 31, 2015 ("**the Annual Financial Statements**" and "**the Annual Board of Directors' Report**", respectively) which are included in the Company's Periodic Report for 2015 ("**the Annual Report**").

a. The Board's explanations for the state of the Company's affairs, operating results, equity and cash flows

1. The financial position

The Company's auditors draw attention to the matter discussed in Note 1c to the Financial Statements according to which in the periods of nine and three months ended September 30, 2016, the Company incurred losses totaling NIS 6,064 thousand and NIS 2,042 thousand, respectively, and has negative cash flows from operating activities totaling NIS 4,410 thousand and NIS 1,454 thousand for the periods of nine and three months then ended, respectively. These factors, along with other factors detailed in that Note, raise substantial doubt as to the Company's ability to continue to operate as a going concern. The Financial Statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a going concern.

1.1 Explanations to changes in financial position (NIS in thousands)

Item	September 30, 2016	September 30, 2015	December 31, 2015	Explanations
	NIS in thousands			
Current assets	5,068	327	6,459	The decrease compared to December 31, 2015 mainly arises from the decrease in cash balances used in operating activities. The increase compared to September 30, 2015 mainly arises from capital raised and the exercise of options at the end of 2015 and August 2016.
Non-current assets	1,049	42	42	The increase compared to December 31, 2015 and September 30, 2015 is mainly due to prepaid issuance expenses which include accrued costs of preparing the prospectus (see paragraph 2.3.3).
Total assets	**6,117**	**369**	**6,501**	
Current liabilities	2,481	1,595	1,994	The increase compared to December 31, 2015 and September 30, 2015 mainly arises from the increase in the Company's research and development activity and in liabilities for preparing the prospectus.
Non-current liabilities	-	191	-	The liability as of September 30, 2015 is in respect of Government grants from the OCS which are associated with the Anti-CD3 project. At the end of 2015, the liability was derecognized.
Equity (deficit) attributable to equity holders of the Company	3,636	(1,058)	5,114	The decrease in equity attributable to equity holders of the Company compared to December 31, 2015 results from the loss for the period offset by proceeds from exercise of options. The increase in equity attributable to equity holders of the Company compared to September 30, 2015 arises from capital raising and exercise of options at the end of 2015 and August 2016 offset by accumulated deficit.
Non-controlling interests	-	(359)	(607)	As of December 31, 2015, considering the closing of the sale agreement of the subsidiary, Orimmune, the balance of non-controlling interests was derecognized.
Total equity (deficit)	**3,636**	**(1,417)**	**4,507**	

* Negative figures are presented in parenthesis, unless expressly stated otherwise.

2. **Operating results (developments in profit and loss items)**

2.1 The Company is a development stage company which does not generate sales.

2.2 Following are explanations for the main changes in the Company's operating results (presented in a table format):

Item	Nine months ended September 30, 2016	Nine months ended September 30, 2015	Three months ended September 30, 2016	Three months ended September 30, 2015	Year ended December 31, 2015	Explanations
	NIS in thousands					
Research and development expenses, net	2,282	620	832	143	931	The increase compared to the corresponding periods of last year arises mainly from the increase in subcontractors and consultants and from payroll expenses and share-based payment due to increase in R&D activity (clinical trial preparations).
General and administrative expenses	3,748	3,498	1,293	1,042	5,297	The increase compared to the corresponding periods of last year arises mainly from increase in share-base payment and expenses related to consultants and professionals services.
Other expenses (income), net	(27)	3,926	(130)	3,907	3,734	Other expenses, net in 2015 derives mainly from allocation of options to Dekel pursuant to the license agreement (see also Note 3h to the Interim Financial Statements).
Operating loss	**6,003**	**8,044**	**1,995**	**5,092**	**9,962**	
Finance expenses (income), net	61	23	47	18	15	Finance expenses (income), net in the reporting periods mainly arise from exchange rate valuation losses on dollar balances.
Group's share of losses of company accounted for at equity, net	-	197	-	-	197	The investment in an associate, Lara, was derecognized in 2015.
Net loss	**6,064**	**8,264**	**2,042**	**5,110**	**10,174**	

* Negative figures are presented in parenthesis, unless expressly stated otherwise.

3. **Liquidity, cash flows and financing resources**

3.1 Cash flows - the Company is in the development stage and has no sales.

3.2 Cash flows used in operating activities in the nine and three months ended September 30, 2016 totaled NIS 4,410 thousand and NIS 1,454 thousand, respectively compared to NIS 3,592 thousand and NIS 936 thousand in the corresponding periods of last year, respectively. Cash flows used in investing activities in the reporting periods and in the corresponding periods of last year are immaterial. Cash flows provided by financing activities in the nine and three months ended September 30, 2016 totaled NIS 3,096 thousand compared to NIS 3,072 thousand in the period of nine months of last year and 0 in the period of three months of last year.

3.3 Since its inception, the Company financed its activities using the capital raised from the public, private placements and grants received from the Chief Scientist. The capital was mainly used in research and development activity and for operating the Company.

3.4 The cash balance held by the Company may not be sufficient to finance its operating activities. These factors raise substantial doubt as to the Company's ability to continue to operate as a "going concern". See Note 1c to the Financial Statements.

4. **Issues to which the Company's auditor draws attention in the auditors' review report**

Due to the Company's accumulated losses and negative cash flows from operating activities, as discussed in Note 1c to the Company's Financial Statements, in the auditors' review report, the Company's auditor draws attention to the existence of doubts as to the Company's ability to continue as a "going concern", as discussed in paragraph 3 above.

5. **Remuneration of interested parties and senior officers**

In the Interim Period, there were no material changes compared to the information provided in the Annual Board of Directors' Report regarding the examination of the remuneration terms of officers in the Company, the reasonableness of the remuneration and the correlation between the remuneration of officers and interested parties in the Company and their contribution to the Company, as required by Regulation 21 to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970, other than the matters described in paragraph 3 to Chapter A (Update to the Chapter of Description of the Corporation's Business) to this Report.

b. Corporate governance aspects

6. Details of directors with accounting and financial expertise

6.1 On August 24, 2014, the Company's Board decided that the minimum required number of directors (including external directors) with accounting and financial expertise in the Board ("**the minimum number**") should be one.

6.2 In the Interim Period and as of the Report Date, the number of directors with accounting and financial expertise was not below the minimum number.

7. Independent directors

7.1 In the Interim Period, the Company did not adopt in its articles of association the directive in Section 219(e) to the Israeli Companies Law, 1999 ("**the Companies Law**") regarding the rate of independent directors.

7.2 As of the Report Date, the Company has three independent directors, of whom two external directors. As of the Report Date, the independent directors represent half of the members of the Board.

8. Update on events or matters that are subject to Regulation 37a2(a) to the Report Regulations

8.1 In the Interim Period and as of the Report Date, the Company did not report any event or matter which might have occurred on a later date than the original report ("**the original report**") date which requires disclosure.

8.2 Without derogating from the aforementioned, see Chapter A (update to the Chapter of Description of the Corporation's Business) in this Report above for an update of the Company's activities and material changes that occurred during the Interim Period.

9. Disclosure of the Company's internal auditor

9.1 The Company's internal auditor meets all the provisions of sections 3(a) and 8 to the Israeli Internal Audit Law, 1992 ("**the Internal Audit Law**") and the requirements of section 146(b) to the Companies Law and serves as a senior officer in the Company by virtue of applicable law.

9.2 In the Interim Period and as of the Report Date, there was no material change regarding the Company's internal auditor and/or the scope of his work compared to the disclosure provided in the Annual Board of Directors' Report.

10. Details of outstanding certificates of liability

10.1 In the Interim Period and as of the Report Date, the Company has no outstanding certificates of liability.

c. Disclosure of the Company's financial reporting framework

11. Disclosure of events after the reporting date

11.1 To the best of the Company's knowledge, there were no material events which occurred after the reporting date, other than those mentioned in Note 5 to the Interim Financial Statements and in Chapter A (Update to the Chapter of Description of the Corporation's Business) to this Report.

12. Repurchase plan

12.1 During the Reporting Period and as of the Report Date, the Company has no plans to repurchase its securities nor has it reported any such repurchase plans, based on the definition of the term "purchase" in Regulation 10(b)(2)(i) to the Regulations.

The Company's Board thanks the Company's employees and managers for their contribution to promoting the Company's business.

Date: November 20, 2016

Names of signatories on this Report and their position:

Dr. Ascher Shmulewitz, Chairman of the Board
Dr. Elran Haber, CEO
CPA Guy Goldin, CFO and Company Secretary

Therapix Biosciences Ltd.

Chapter C - Interim Financial Statements

THERAPIX BIOSCIENCES LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2016

UNAUDITED

INDEX

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31, 2015	September 30, 2015	September 30, 2016	Convenience translation into USD (Note 1d) September 30, 2016
	Audited	Unaudited		Unaudited
	NIS in thousands			USD in thousands
ASSETS				
CURRENT ASSETS:				
Cash	6,136	96	4,805	1,279
Restricted cash	44	44	44	12
Accounts receivable	279	187	219	58
	6,459	327	5,068	1,349
NON-CURRENT ASSETS:				
Prepaid issuance costs	-	-	1,002	266
Equipment	42	42	47	13
	42	42	1,049	279
	6,501	369	6,117	1,628

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31, 2015	September 30, 2015	September 30, 2016	Convenience translation into USD (Note 1d) September 30, 2016
	Audited	Unaudited		Unaudited
	NIS in thousands			USD in thousands
LIABILITIES AND EQUITY (DEFICIT)				
CURRENT LIABILITIES:				
Trade payables	1,779	1,355	2,182	581
Other accounts payable	215	240	299	80
	1,994	1,595	2,481	661
NON-CURRENT LIABILITIES:				
Liabilities for government grants	-	191	-	-
EQUITY (DEFICIT) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:				
Share capital	3,540	2,462	4,100	1,091
Share premium	95,772	87,562	101,388	26,979
Foreign currency translation reserve	20	20	-	-
Warrants	-	330	-	-
Reserve for share-based payment transactions	18,309	19,433	16,687	4,440
Reserve from transactions with non-controlling interests	941	941	941	250
Accumulated deficit	(113,468)	(111,806)	(119,480)	(31,793)
	5,114	(1,058)	3,636	967
Non-controlling interests	(607)	(359)	-	-
Total equity (deficit)	4,507	(1,417)	3,636	967
	6,501	369	6,117	1628

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Year ended December 31	Three months ended September 30,		Nine months ended September 30,		Convenience translation into USD (Note 1d) Nine months ended September 30,
	2015	2015	2016	2015	2016	2016
	Audited	Unaudited				
	NIS in thousands (Except per share data)					USD in thousands
Research and development expenses, net	(931)	(143)	(832)	(620)	(2,282)	(607)
General and administrative expenses	(5,297)	(1,042)	(1,293)	(3,498)	(3,748)	(997)
	(6,228)	(1,185)	(2,125)	(4,118)	(6,030)	(1,604)
Other income (expenses)	(3,734)	(3,907)	130	(3,926)	27	7
Operating loss	(9,962)	(5,092)	(1,995)	(8,044)	(6,003)	(1,597)
Finance income	20	-	-	-	3	1
Finance expenses	(35)	(18)	(47)	(23)	(64)	(17)
Company's share of losses of an associate	(197)	-	-	(197)	-	-
Loss	(10,174)	(5,110)	(2,042)	(8,264)	(6,064)	(1,613)
Attributable to:						
Equity holders of the Company	(9,877)	(5,099)	(2,042)	(8,215)	(6,012)	(1,599)
Non-controlling interests	(297)	(11)	-	(49)	(52)	(14)
	(10,174)	(5,110)	(2,042)	(8,264)	(6,064)	(1,613)
Basic and diluted loss per share attributable to equity holders of the Company	(0.43)	(0.21)	(0.05)	(0.38)	(0.17)	(0.04)

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31	Three months ended September 30,		Nine months ended September 30,		Convenience translation into USD (Note 1d) Nine months ended September 30,
	2015	2015	2016	2015	2016	2016
	Audited	Unaudited				
		NIS in thousands				USD in thousands
Net loss	(10,174)	(5,110)	(2,042)	(8,264)	(6,064)	(1,613)
Other comprehensive income to be reclassified to profit or loss in subsequent periods						
Exchange differences on translation of foreign operations	10	-	-	10	(20)	(5)
Total other comprehensive income (loss)	10	-	-	10	(20)	(5)
Total comprehensive loss	(10,164)	(5,110)	(2,042)	(8,254)	(6,084)	(1,618)
Attributable to:						
Equity holders of the Company	(9,867)	(5,099)	(2,042)	(8,205)	(6,032)	(1,604)
Non-controlling interests	(297)	(11)	-	(49)	(52)	(14)
	(10,164)	(5,110)	(2,042)	(8,254)	(6,084)	(1,618)

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Issued Capital	Share premium	Share-based payment transactions	Foreign currency translation reserve	Warrants	Transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
	Audited									
	NIS in thousands									
Balance at January 1, 2015	1,841	80,460	15,215	10	4,981	941	(103,591)	(143)	(310)	(453)
Loss	-	-	-	-	-	-	(9,877)	(9,877)	(297)	(10,174)
Other comprehensive income	-	-	-	10	-	-	-	10	-	10
Total comprehensive loss	-	-	-	10	-	-	(9,877)	(9,867)	(297)	(10,164)
Issuance of shares (1)	806	4,858	-	-	-	-	-	5,664	-	5,664
Exercise of share options and warrants	893	6,134	(1,344)	-	(661)	-	-	5,022	-	5,022
Expiration of warrants	-	4,320	-	-	(4,320)	-	-	-	-	-
Share-based payment	-		4,438	-	-	-	-	4,438	-	4,438
Balance at December 31, 2015	3,540	95,772	18,309	20	-	941	(113,468)	5,114	(607)	4,507

(1) Net of issuance costs of NIS 84,000.

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Share capital	Share premium	Reserve from share-based payment transactions	Capital reserve from financial statements of foreign operation	Share options	Reserve from transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity (deficit)
	Unaudited									
	NIS in thousands									
Balance at July 1, 2015	2,462	87,562	15,462	20	330	941	(106,707)	70	(348)	(278)
Loss	-	-	-	-	-	-	(5,099)	(5,099)	(11)	(5,110)
Other comprehensive loss	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	-	(5,099)	(5,099)	(11)	(5,110)
Cost of share-based payment	-	-	3,971	-	-	-	-	3,971	-	3,971
Balance at September 30, 2015	2,462	87,562	19,433	20	330	941	(111,806)	(1,058)	(359)	(1,417)

	Attributable to equity holders of the Company									
	Issued Capital	Share premium	Share-based payment transactions	Foreign currency translation reserve	Warrants	Transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
	Unaudited									
	NIS in thousands									
Balance at July 1, 2016	3,560	95,852	19,010	-	-	941	(117,438)	1,925	(659)	1,266
Loss	-	-	-	-	-	-	(2,042)	(2,042)	-	(2,042)
Total other comprehensive loss	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	-	(2,042)	(2,042)	-	(2,042)
Deconsolidation of subsidiary. See Note 3l	-	-	-	-	-	-	-	-	659	659
Exercise of share options	540	4,420	(1,451)	-	-	-	-	3,509	-	3,509
Expiration of share options	-	1,116	(1,116)	-	-	-	-	-	-	-
Share-based payment	-	-	244	-	-	-	-	244	-	244
Balance at September 30, 2016	4,100	101,388	16,687	-	-	941	(119,480)	3,636	-	3,636

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Share capital	Share premium	Reserve from share-based payment transactions	Capital reserve from financial statements of foreign operation	Share options	Reserve from transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity (deficit)
	Unaudited									
	NIS in thousands									
Balance at January 1, 2015 (audited)	1,841	80,460	15,215	10	4,981	941	(103,591)	(143)	(310)	(453)
Loss	-	-	-	-	-	-	(8,215)	(8,215)	(49)	(8,264)
Other comprehensive income	-	-	-	10	-	-	-	10	-	10
Total comprehensive loss	-	-	-	10	-	-	(8,215)	(8,205)	(49)	(8,254)
Issue of shares and share options (1)	490	1,907	-	-	-	-	-	2,397	-	2,397
Exercise of share options	131	875	-	-	(331)	-	-	675	-	675
Expiration of share options	-	4,320	-	-	(4,320)	-	-	-	-	-
Cost of share-based payment	-	-	4,218	-	-	-	-	4,218	-	4,218
Balance at September 30, 2015	2,462	87,562	19,433	20	330	941	(111,806)	(1,058)	(359)	(1,417)

	Attributable to equity holders of the Company									
	Issued Capital	Share premium	Share-based payment transactions	Foreign currency translation reserve	Warrants	Transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
	Unaudited									
	NIS in thousands									
Balance at January 1, 2016	3,540	95,772	18,309	20	-	941	(113,468)	5,114	(607)	4,507
Loss	-	-	-	-	-	-	(6,012)	(6,012)	(52)	(6,064)
Total other comprehensive loss	-	-	-	(20)	-	-	-	(20)	-	(20)
Total comprehensive loss	-	-	-	(20)	-	-	(6,012)	(6,032)	(52)	(6,084)
Deconsolidation of subsidiary. See Note 3l	-	-	-	-	-	-	-	-	659	659
Exercise of share options	560	4,500	(1,451)	-	-	-	-	3,609	-	3,609
Expiration of share options		1,116	(1,116)							
Share-based payment	-	-	945	-	-	-	-	945	-	945
Balance at September 30, 2016	4,100	101,388	16,687	-	-	941	(119,480)	3,636	-	3,636

(1) Net of issuance expenses of NIS 33,000. The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Issued Capital	Share premium	Share-based payment transactions	Foreign currency translation reserve	Warrants	Transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
	Unaudited									
	Convenience translation (Note 1d) into USD in thousands									
Balance at January 1, 2016	942	25,485	4,872	5	-	250	(30,194)	1,360	(162)	1,198
Loss	-	-	-	-	-	-	(1,599)	(1,599)	(14)	(1,613)
Total other comprehensive loss	-	-	-	(5)	-	-	-	(5)	-	(5)
Total comprehensive loss	-	-	-	(5)	-	-	(1,599)	(1,604)	(14)	(1,618)
Deconsolidation of subsidiary. See Note 3l	-	-	-	-	-	-	-	-	176	176
Exercise of share options	149	1,197	(386)	-	-	-	-	960	-	960
Expiration of share options	-	297	(297)	-	-	-	-	-	-	-
Share-based payment	-	-	251	-	-	-	-	251	-	251
Balance at September 30, 2016	1,091	26,979	4,440	-	-	250	(31,793)	967	-	967

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31	Three months ended September 30,		Nine months ended September 30,		Convenience translation into USD (Note 1d) Nine months ended September 30,
	2015	2015	2016	2015	2016	2016
	Audited	Unaudited				
	NIS in thousands					USD in thousands
Cash flows from operating activities:						
Net loss	(10,174)	(5,110)	(2,042)	(8,264)	(6,064)	(1,614)
Adjustments to reconcile net loss to net cash used in operating activities:						
Depreciation and amortization	11	1	4	17	11	3
Loss from sale of equipment	19	-	-	19	-	-
Share-based payment expense	4,438	3,971	244	4,218	1,045	278
Change in liability to the National Authority for Technological Innovation	(191)	19	-	35	-	-
Finance expenses, net	35	-	-	-	(20)	(5)
Gain from sale of investments in investees	-	-	(130)	-	(130)	(35)
Share of losses of an associate	197	-	-	197	-	-
	4,509	3,991	118	4,486	906	241
Working capital adjustments:						
Increase in accounts receivable	(177)	17	84	(85)	60	16
Increase (decrease) in trade payables	597	183	375	163	530	141
Increase in other accounts payable	83	(17)	11	108	158	42
	503	183	470	186	748	199
Net cash used in operating activities	(5,162)	(936)	(1,454)	(3,592)	(4,410)	(1,174)

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31	Three months ended September 30,		Nine months ended September 30,		Convenience translation into USD (Note 1d) Nine months ended September 30,
	2015	2015	2016	2015	2016	2016
	Audited	Unaudited				
	NIS in thousands					USD in thousands
Cash flows from investing activities:						
Proceeds from sale of investments in previously consolidated subsidiary (a)	-	-	(1)	-	(1)	-
Proceeds from sale of equipment	2	-	-	2	-	-
Purchase of equipment	(4)	-	(2)	-	(16)	(4)
Net cash provided by (used in) investing activities	(2)	-	(3)	2	(17)	(4)
Cash flows from financing activities:						
Proceeds from issuance of share capital and share options (net of issuance expenses)	5,664	-	-	2,397	-	-
Paid issuance costs	-	-	(413)	-	(413)	(110)
Proceeds from exercise of share options and warrants	5,022	-	3,509	675	3,509	934
Net cash provided by financing activities	10,686	-	3,096	3,072	3,096	824
Increase (decrease) in cash	5,522	(936)	1,639	(518)	(1,331)	(354)
Cash at the beginning of the period	614	1,032	3,166	614	6,136	1,633
Cash at the end of the period	6,136	96	4,805	96	4,805	1,279

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Year ended December 31	Three months ended September 30,		Nine months ended September 30,		Convenience translation into USD (Note 1d) Nine months ended September 30,
	2015	2015	2016	2015	2016	2016
	Audited	Unaudited				
	NIS in thousands					USD in thousands
(a) Proceeds from sale of an investment in previously consolidated subsidiary:						
The subsidiary' assets and liabilities at date of sale:						
Non-current liabilities	-	-	(790)	-	(790)	(210)
Non-controlling interests	-	-	659	-	659	176
Gain (loss) from sale of subsidiary	-	-	130	-	130	34
	-	-	(1)	-	(1)	-
(b) Significant non-cash transactions:						
Unpaid issuance costs	-	-	589	-	589	157

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTE 1:- GENERAL

a. These financial statements have been prepared in a condensed format as of September 30, 2016 and for the nine and three months then ended ("Interim Consolidated Financial Statements"). These financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2015 and for the year then ended and accompanying notes ("Annual Consolidated Financial Statements") of Therapix Biosciences Ltd. ("Therapix") and its subsidiaries (the "Company").

b. The Interim Consolidated Financial Statement of the Company for the nine months ended September 30, 2016 were authorized for issue in accordance with a resolution of the Board of Directors on November 20, 2016. Therapix, a pharmaceutical company was incorporated in Israel and commenced its operations on August 23, 2004. Until March 2014, the Company was mainly engaged in developing several innovative immunotherapy products. In August 2015, the Company revised its business strategy according to which it will focus on developing approved drugs based on cannabinoid molecules.

The Company is presently developing a cannabinoid based drug for Tourette syndrome using the entourage technology and is developing a cannabinoid based drug for mild cognitive impairment using the ultralow dose technology.

c. For the nine months ended September 30, 2016, the Company incurred a net loss of NIS 6.06 million and had negative cash flow from operating activities totaling NIS 4.41 million. As of September 30, 2016, the Company had an accumulated deficit totaling NIS 119.5 million as a result of recurring operating losses. As discussed in 1b above, the Company's business strategy is to focus on developing cannabinoid based drugs to treat Tourette syndrome and mild cognitive impairment.

These activities involve, among others, continuous development efforts and obtaining pertinent regulatory approvals. Also, from the date of commencement of operation, the Company has not generated cash flows from the sale of its products to sustain its activities. Accordingly, as the Company presently has no activities that generate revenues, the Company's continued operation is dependent on its ability to raise funding from external sources. This dependency will continue until the Company will be able to finance its operation by selling its products or commercializing the technology it owns.
The Company's management believes that the balance of cash held by the Company may not be sufficient to finance its operating activities. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company's management is focusing on securing the Company's financial stability, among others, by exploring the alternative of raising capital from private investors and/or public, in Israel and/or abroad through issuance of securities of the Company, including existing shareholders.

NOTE 1:- GENERAL (Cont.)

Accordingly, the Company filed in November 2016 the first public draft of initial public offering in the NASDAQ of securities of the Company.

The Interim Consolidated Financial Statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

d. Convenience translation into U.S. dollars ("dollars", "USD" or "$")

For the convenience of the reader, the reported New Israeli Shekel (NIS) amounts as of September 30, 2016, and for the nine and three months then ended, have been translated into dollars at the Bank of Israel's representative rate of exchange for September 30, 2016 ($1 = NIS 3.758). The dollar amounts presented in these financial statements should not be construed as representing amounts that are receivable or payable in dollars or convertible into dollars, unless otherwise indicated. The dollars amounts were rounded to whole numbers for convenience.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the interim consolidated financial statements:

The Interim Consolidated Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". The significant accounting policies and methods of computation adopted in the preparation of the Interim Consolidated Financial Statements are consistent with those followed in the preparation of the Annual Consolidated Financial Statements.

NOTE 3:- EVENTS DURING THE REPORTING PERIOD

a. On January 28, 2016, 161,875 options which had been granted to consultants expired.

b. In February, 2016, the Company entered into an exclusive, irrevocable, worldwide research and license agreement with Ramot at Tel Aviv University Ltd. (“Ramot”) for a patent application relating to methods for treatment of cognitive decline with low doses of tetrahydrocannabinol. Pursuant to the agreement, the Company is obligated to pay patent filing and prosecution expenses, including past expenses, and to fund further research in an amount of approximately NIS 237,630. Furthermore, the Company is obligated to pay fees (aggregating approximately $3.5 million) upon the occurrence of certain milestones, including achieving the completion of a Phase II clinical trial, pivotal clinical trial, filing a new drug application with the U.S. Food and Drug Administration, the receipt of regulatory approvals and the achievement of worldwide sales which exceed certain thresholds. Pursuant to the agreement, the Company is obligated to pay royalties at a low single digit percentage rate upon commercialization of a product based on licensed asset, and a percentage rate in the low twenties pursuant to a sublicense of the licensed assets. Pursuant to the agreement, the Company undertook to conduct technology research and the Company may terminate such obligation with no further obligation to fund it should the principal investigator cease to supervise the research and Ramot will be unable to

NOTE 3:- EVENTS DURING THE REPORTING PERIOD (Cont.)

locate an alternative scientist acceptable to the Company. The exclusivity under the license agreement expires and the agreement terminates upon expiration of all of the Company payment obligations under the agreement, after which Ramot shall be entitled to freely use, sell, and otherwise transfer the technology under the license and grant further licenses without accounting to the Company. The patent expiration date of any patent maturing from this application would likely be 2035. The Company expects the exclusivity period to end upon the earlier of the termination of the license agreement or the patent expiration date.

c. On February 16, 2016, the Company's Board approved a grant of 700,000 options to the Company's Chief Executive Officer, 250,000 to the Company's chairman, 50,000 to a director of the Company and 50,000 to a former director. The share options granted are exercisable at the exercise price per share of NIS 0.5-NIS 0.995. The total fair value of those grants at the grant date was estimated at approximately NIS 789,000, calculated using the Black-Scholes model based on the exercise price determined for each optionee, expected volatility of 74.07% at the grant date, a price per share of NIS 0.94 at the grant date, risk-free interest rate of 1.97% a year and expected life of 10 years. Total share-based payment expenses recorded in the nine months ended September 30, 2016 in respect of the above grant were approximately NIS 329,000.

d. On February 16, 2016, the Company's Board approved a grant of 800,000 options to three of its officers, 300,000 to three employees and 120,000 to a consultant. The options vest over three years, except 120,000 options that were granted to the consultant with vesting terms of two years. Each option is exercisable at the exercise price of NIS 0.995-NIS 1.061 per share.

The fair value at the grant date was estimated at approximately NIS 882,000, calculated using the Black -Scholes model based on the exercise price determined for each optionee, expected volatility of 74.07% at the grant date, a price per share of NIS 0.94 at the grant date, risk-free interest rate of 1.97% a year and expected life of 10 years. Total share-based payment expenses recorded in the nine months ended September 30, 2016 in respect of the above grant were approximately NIS 449,000.

e. On March 22, 2016, the Company's Board approved a grant of 150,000 options to an officer. The options vest over three years. The fair value at the grant date was estimated at approximately NIS 104,000, calculated using the Black-Scholes model based on the exercise price of NIS 1.011, expected volatility of 74.07% at the grant date, a price per share of NIS 0.905 at the grant date, risk-free interest rate of 1.97% a year and expected life of 10 years. Total share-based payment expenses recorded in the nine months ended September 30, 2016 in respect of the above grant were approximately NIS 47,000.

f. On April 3, 2016, 150,000 options were granted to a company that is controlled by a Company consultant. The options granted may be exercised immediately and expire on December 31, 2016. The fair value at the grant date was estimated at approximately NIS 19,000, calculated using the Black-Scholes model based on the exercise price of NIS 1, expected volatility of 53.36% at the grant date, a price per share of NIS 0.894 at the grant date and risk-free interest rate of 0.51% a year.

NOTE 3:- EVENTS DURING THE REPORTING PERIOD (Cont.)

g. On May 31, 2016, the Company's Board of Directors approved the grant of 210,000 options to several of the Company's consultants, out of which 150,000 options were granted. The options granted vested immediately, of which 70,000 options expire up to one year from their date of grant and the remaining options are exercisable for 10 years from their date of grant. The options are exercisable at the exercise price per share of NIS 1.031. The fair value at the grant date was estimated at approximately NIS 62,000, calculated using the Black-Scholes model based on the exercise price per share of NIS 1.03, expected volatility ranging between 53.04% and 74.07% at the grant date, a price per share of NIS 0.869 at the grant date and risk-free interest rate of 0.62%-1.97% a year.

h. Further to the matter discussed in Note 15c to the Company's Annual Consolidated Financial Statements, on May 16, 2016, after obtaining the Tel Aviv Stock Exchange ("TASE") approval and as part of the conditions of the license agreement with Dekel Pharmaceuticals Ltd. ("Dekel") which became effective on August 19, 2015, and in order to fulfill the commitment of the Company to Dekel under the license agreement, the Company issued to Dekel 200,000 ordinary shares associated with the payment of the advance according to the license agreement.

i. On May 22, 2016, the Company and Lara Pharm Ltd. ("Lara") signed a settlement and termination agreement ("the settlement agreement") according to which, among others, the Company will remain a shareholder in Lara, holding 27.314% of Lara's issued and outstanding share capital as of the date of signing the settlement agreement (while waiving a certain number of shares in Lara which will be forfeited). Lara's founder (as defined in the settlement agreement) was granted a call option for a period of one year from the date of signing the settlement agreement (namely, until May 22, 2017) to purchase the Company's entire interests in Lara for $500 thousand (representing a 100% return of the Company's investment in Lara). Also according to the settlement agreement, the Company's representative on Lara's board of directors will resign. Accordingly, the Company no longer has significant influence in Lara, and as of September 30, 2016, the balance of the investment in Lara in the Company's books is nil.

j. In June 2016, the Company entered into a binding term sheet with Yissum Research Development Company of the Hebrew University of Jerusalem Ltd. (“Yissum”) whereby the Company will be granted a license to an issued patent, including foreign counterparts, that covers nasal delivery of cannabinoids. Pursuant to the term sheet, Yissum will grant to the Company an exclusive, worldwide license to the patent and the Company will pay Yissum fees based on specific milestones related to the product development (aggregating approximately $1 million) and medial single-digit royalties upon the commercialization of a product based on the licensed assets. Royalty rates will decrease to a low single-digit percentage upon commercialization of a competitive product or if the Company will be required to pay a third party in order to sell the technology based product. The Company further undertook to pay all patent filing and prosecution expenses, including past expenses. The Company also agreed to compensate and indemnify Yissum from and against any damage, loss, cost and expenses incurred by the Company or by the Company’s subordinates by reason of any acts or omissions, or which derive from the exploitation or use of the technology or related product. Pursuant to the term sheet, in the

NOTE 3:- EVENTS DURING THE REPORTING PERIOD (Cont.)

event that the Company establishes an affiliated company to exploit the license, an equity allocation to Yissum will be negotiated in good faith. The patent expiration dates of the patents covered the binding term sheet are 2026-2028. The parties have agreed to extend the expiration of the term sheet to December 31, 2016.To date, the definitive agreement has not been executed and the parties are still negotiating its terms

k. On June 7, 2016 (the "Effective Date"), the Company entered into a binding term sheet-agreement with Belvit Pharma LLC (“Belvit”) for certain intellectual property rights, including a provisional patent application covering the method and formulation for the sublingual administration of THC with enhanced bioavailability. The Company initially intends to exploit this technology with respect to Mild Cognitive Impairments ("MCI"). Pursuant to the term sheet, the Company will receive an exclusive, irrevocable, worldwide, license to develop, manufacture, and commercialize a drug based on a low-dose of THC and a right of first negotiation with respect to normal-dose technology within the twenty four months of the Effective Date of the term sheet. The Company agreed to pay all costs and expenses related to the development of the technology, and to conduct, at the Company expense, a Pharmacokinetics ("PK")/bioavailability study which the Company intends to conduct in the first quarter of 2017. The Company shall further pay Belvit a low single-digit royalty rate upon commercialization of a product based on the licensed assets. Furthermore, Belvit shall have the right to use the study results. Belvit shall pay the Company a low single-digit royalty rate from any income from other uses of the technology. While the Company will be responsible for the development of the technology, Belvit will be responsible for the formulation development. The term sheet further includes the development stages and estimated development costs. Filing and patent prosecution will be borne by both parties. Entry into a definitive license agreement is subject to the Company's successful completion of the abovementioned PK/bioavailability study. The patent expiration date of any patent maturing from this application would likely be 2037.

l. On June 22, 2016, the Company entered into a share transfer agreement ("the Transfer Agreement") with Orimmune Bio Ltd. ("the Subsidiary") and Karma Link Ltd., whose controlling shareholder served as a director of the Company until February 2016, whereby the Company will sell its interests in the Subsidiary to the buyer and take steps to transfer its rights in the Anti-CD3 technology (mainly consisting of the Company's license from Hadasit Research Services & Development Ltd., the Technology Transfer Company of Hadassah Medical Organization which owns the technology) ("the License") and certain assets of the Company underlying the development of the technology , all under the terms specified below.

The Transfer Agreement mainly consists of the following:

1. The Company will transfer its entire interests in the Subsidiary's shares to the buyer and exercise its best effort to assist in the assignment of the license to the Subsidiary, including certain intellectual property assets developed by the Company in connection with the license, and in obtaining all the necessary approvals.

2. Subject to the completion of the License assignment process described above, the Company will be entitled to a predetermined rate (which is a low double-digit number) of all receipts which the buyer (and its related parties, as defined in the

NOTE 3:- EVENTS DURING THE REPORTING PERIOD (Cont.)

Transfer Agreement) will receive from the Subsidiary or from third parties in connection with the shares and/or assets of the Subsidiary, up to an aggregate of approximately NIS 40 million. For each receipt in excess of said aggregate amount, the Company will be entitled to a lower rate determined therefrom (also a low double-digit number).

3. The Company will assign to the buyer its right to increase its interests in the Subsidiary's share capital according to the investment agreement of September 2, 2013 signed between the Company, the Subsidiary and Acebright Holdings Limited (another shareholder in the Subsidiary). During the interim period until the completion of the License assignment process, the buyer will bear certain of the payments in respect of the License and/or resulting therefrom (including payments for holding the patents under the License and including payments for a pending patent opposition proceeding involving the License). These amounts are non-recoverable. During the interim period, any revenues that are received by the Company from the commercialization of the technology will be delivered to the Subsidiary, less various fees and expenses payable in respect of the License and additional payments which the Company is entitled to receive.

In August 2016, the Transfer Agreement was executed, and no consideration was paid to the Company at such time. The Transfer Agreement included a mechanism in which the Company is entitled to receive future compensation in the event that, and based on, the Subsidiary's future sale to a third party.

As a result of the loss of control, the Company recorded a capital gain in the amount of NIS 130,000 during the third quarter.

m. The Israel Securities Authority ("ISA") previously notified the Company that it was conducting an administrative inquiry relating to the Company's reports (quality and scope of disclosure) to the ISA and the TASE with respect to the termination of a license agreement the Company had with Ramot for certain technology covering the Company's previous BBS technology and program, which was terminated at the beginning of 2014. On August 18, 2016, the Department of Administrative Enforcement of the ISA filed an administrative letter of claims against the Company, the Company's Chairman and certain former officers. The letter of claims alleges that the Company and the named respondents carried out several violations of the Israeli Securities Law regarding reports of the Company. The alleged breaches include (i) the inclusion of misleading details in a shelf offering report and annual report in relation to a licensing agreement between the Company and Ramot and its ongoing progress; (ii) failure to submit an immediate report about a material event (the licensing agreement termination) in a timely and lawful manner; (iii) inclusion of a misleading detail in such immediate report; and (iv) misleading the ISA in connection with such actions. This administrative procedure is underway and the Company is currently examining this letter of claims with its legal consults. A date for the hearing has yet to be set. The Company rejects all the allegations and plans to file a formal defense on the dates set forth, until November 22, 2016. If the Company does not prevail, the Company might be subject to monetary sanctions (up to NIS 5 million), and additional administrative sanctions may be levied upon such directors

NOTE 3:- EVENTS DURING THE REPORTING PERIOD (Cont.)

and former officers. Based on an estimate of the Company's legal counsel, a provision was recorded in the accounts for potential monetary sanctions.

n. Further to the description in Note 3h, on August 18 and 19, 2016, the Company received exercise notices for the exercise of 5,390,986 share options which were held by Dekel, under the license agreement signed with Dekel, to purchase 5,390,986 ordinary shares, out of which Dekel exercised 993,846 share options, while the remaining were exercised by third parties, to which, to the best of the Company's knowledge, Dekel sold its share options.

The remaining share options held by Dekel (which were not exercised) expired on August 20, 2016, according to their original terms. The Company's consideration from the exercise of the share options was NIS 3.5 million.

NOTE 4:- EVENTS AFTER THE REPORTING DATE

a. On November 6, 2016, the Company entered into a non-binding memorandum of understanding with Rafa Laboratories Ltd., a pharmaceutical company in Israel, in respect of cooperating for conducting clinical research for the purpose of conducting a proof-of-concept clinical trial for a cannabinoid based product candidate to treat various medical indications characterized by lower abdominal pain. The Company will use its entourage technology in order to combine palmitoylethanolamide (PEA) supplement and an approved drug based on cannabinoid molecules.

b. On November 8, 2016, the Company received approval from the Yale University IRB (Institutional Review Board) for the clinical trial protocol for a clinical trial in Tourette’s Syndrome.

c. On November 10, 2016, the general meeting of the Company's shareholders approved an increase of the Company's authorized share capital to 200,000,000 ordinary shares.

d. Further to the description in Note 3h, according to the agreement, the Company shall pay Dekel payments subject to a completion of milestones.

During November 2016, the Company achieved the first milestone under the agreement, success of pre-clinical studies with Dekel's technology.

Therefore, as of November 2016, the Company has an obligation to pay a milestone payment of $25,000 (approximately NIS 94,000). This payment will be paid in cash or shares (at a cost of NIS 0.5 each ordinary share) subject to the Company’s discretion, as set forth in the license agreement.

e. Further to the description in Note 3m, on November 21, 2016, the Company submitted a formal response to the ISA where it rejected all alleged breaches.

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THERAPIX BIOSCIENCES LTD.

PRESENTATION OF FINANCIAL INFORMATION FROM

THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

ATTRIBUTABLE TO THE COMPANY

AS OF SEPTEMBER 30, 2016

Kost Forer Gabbay & Kasierer
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To
The shareholders of Therapix Biosciences Ltd.

Dear Sirs/ Mmes.,

Re: Special Report to the Review of the Separate Interim Financial Information in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970

Introduction

We have reviewed the separate interim financial information disclosed in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970 of Therapix Biosciences Ltd. ("the Company") as of September 30, 2016 and for the periods of nine and three months then ended. The Company's board of directors and management are responsible for the separate interim financial information. Our responsibility is to express a conclusion on the separate interim financial information based on our review.

Scope of review

We conducted our review in accordance with Review Standard 1 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of the separate interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the separate interim financial information is not prepared, in all material respects, in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970.

Without qualifying our above conclusion, we draw attention to the matter discussed in paragraph (a) to the additional information to the separate financial data and financial information attributable to the Company itself from the Group's consolidated financial statements. In the nine and three months ended September 30, 2016, the Company incurred losses totaling NIS 6,012 thousand and NIS 2,042 thousand, respectively and has negative cash flows from operating activities totaling NIS 4,390 thousand and NIS 1,454 thousand for the periods the ended, respectively. These factors, along with other factors detailed in said paragraph, raise substantial doubt as to the Company's ability to continue as a "going concern". Management's plans with respect to these matters are discussed in a. The separate financial data and financial information attributable to the Company itself from the Group's consolidated financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a "going concern".

Haifa, Israel
November 20, 2016

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

Special Report in accordance with Regulation 38d

Financial Data and Financial Information from the

Interim Consolidated Financial Statements Attributable to the Company

Below is separate financial data and financial information attributable to the Company from the Group's interim consolidated financial statements as of September 30, 2016, published as part of the periodic reports ("consolidated financial statements") presented in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970.

Financial Data from the Consolidated Statements of Financial Position
Attributable to the Company

	September 30,		December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
ASSETS			
CURRENT ASSETS:			
Cash	4,805	75	6,115
Restricted cash	44	44	44
Accounts receivable	219	187	271
	5,068	306	6,430
NON-CURRENT ASSETS:			
Receivables from subsidiaries	2,172	5,379	5,525
Prepaid issuance expenses	1,002		
Investment in associate	-	-	-
Property, plant and equipment	47	42	42
	3,221	5,421	5,567
	8,289	5,727	11,997
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	2,182	1,160	1,540
Other accounts payable	299	240	215
	2,481	1,400	1,755
NON-CURRENT LIABILITIES:			
Government grants	-	191	-
Liabilities less assets attributable to subsidiaries	2,172	5,194	5,128
	2,172	5,385	5,128
EQUITY ATTRIBUTABLE TO THE COMPANY	3,636	(1,058)	5,114
	8,289	5,727	11,997

Financial Data from the Consolidated Statements of Profit or Loss Attributable to the Company

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands				
Research and development expenses, net	(1,982)	(242)	(832)	(33)	(443)
General and administrative expenses	(3,726)	(3,390)	(1,293)	(1,039)	(5,185)
	(5,708)	(3,632)	(2,125)	(1,072)	(5,628)
Other expenses, net	27	(3,924)	127	(3,906)	(3,733)
Operating loss	(5,681)	(7,556)	(1,998)	(4,978)	(9,361)
Finance income	197	199	44	67	276
Finance expenses	(65)	(31)	(26)	(29)	(22)
Company's share of losses of investees (including impairment of goodwill), net	(463)	(827)	(62)	(159)	(770)
Loss attributable to the Company	(6,012)	(8,215)	(2,042)	(5,099)	(9,877)

Financial Data from the Consolidated Statements of Cash Flows Attributable to the Company

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands				
Cash flows from the Company's operating activities:					
Loss attributable to the Company	(6,012)	(8,215)	(2,042)	(5,099)	(9,877)
Adjustments to reconcile loss to net cash used in the Company's operating activities:					
Adjustments to the Company's profit or loss items:					
Depreciation and amortization	11	12	4	(4)	11
Loss from sale of property, plant and equipment	-	19	-	-	19
Cost of share-based payment	1,045	4,218	244	3,971	4,438
Increase in balance of liability to the Chief Scientist	-	35	-	19	-
Finance expenses, net	(20)	7	-	7	34
Change in liability to the Chief Scientist	-	-	-	-	(191)
Gain from sale of investees	(127)	-	(127)	-	-
Company's share of losses of investees, net	463	827	62	159	770
	1,372	5,118	183	4,152	5,081
Changes in the Company's asset and liability items:					
Decrease (increase) in accounts receivable	463	(788)	719	(129)	(1,017)
Increase (decrease) in trade payables	(297)	184	(325)	159	567
Increase (decrease) in other accounts payable	84	108	11	(17)	83
	250	(496)	405	13	(367)
Net cash used in operating activities	(4,390)	(3,593)	(1,454)	(934)	(5,163)

Financial Data from the Consolidated Statements of Cash Flows Attributable to the Company

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands				
Cash flows from the Company's investing activities:					
Proceeds from sale of property, plant and equipment	-	2	-	-	2
Purchase of property, plant and equipment	(16)	-	(2)	-	(4)
Net cash provided by (used in) investing activities	(16)	2	(2)	-	(2)
Cash flows from the Company's financing activities:					
Issuance of share capital and share options (less issuance expenses)	-	2,397	-	-	5,022
Payment of issuance costs	(413)	-	(413)	-	-
Exercise of share options	3,509	675	3,509	-	5,664
Net cash provided by financing activities	3,096	3,072	3,096	-	10,686
Increase (decrease) in cash	(1,310)	(519)	1,640	(934)	5,521
Cash at the beginning of the period	6,115	594	3,165	1,009	594
Cash at the end of the period	4,805	75	4,805	75	6,115

Financial Data from the Consolidated Statements of Cash Flows Attributable to the Company

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands				
(a) Significant non-cash transaction:					
Unpaid issuance expenses	589	-	589	-	-

a. General

This separate financial information has been prepared in a condensed format as of September 30, 2016 and for the periods of nine and three months then ended, in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970. This separate financial information should be read in conjunction with the annual financial statements as of December 31, 2015 and for the year then ended and the accompanying additional information.

In the nine and three months ended September 30, 2016, the Company incurred losses totaling NIS 6,012 thousand and NIS 2,042 thousand, respectively and has negative cash flows from operating activities totaling NIS 4,390 thousand and NIS 1,454 thousand for the periods the ended, respectively.

The balance of cash held by the Company may not be sufficient to finance its operating activities in the period beyond 12 months after the date of the approval of the financial statements. These factors raise substantial doubt as to the Company's ability to continue as a "going concern".

In the past, the Company financed its operations by raising capital from private and institutional sources and by collaborating with leading multinational corporations in the industry. The Company's management is focusing on securing the Company's financial stability, among others, by regularly exploring one or more of the above alternatives.

The separate financial data and financial information attributable to the Company itself from the Group's consolidated financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a "going concern".

b. Events during the reporting period

See Note 3 to the interim consolidated financial statements.

c. Events after the reporting date

See Note 4 to the interim consolidated financial statements.

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Therapix Biosciences Ltd.

Chapter D - Letters of Representation

Chief Executive Officer's Statement:
Pursuant to Regulation 5d(4)(b)-(c) and Regulation 38c(d)(1) to the Israel Securities Regulations (Periodic and Immediate Reports), 1970

Letter of Representation
Chief Executive Officer's Statement

I, Elran Haber, certify that:

1. I have reviewed the Interim Report of Therapix Biosciences Ltd. ("**the Company**") for the third quarter of 2016 ("**the Reports**");

2. To the best of my knowledge, the Reports do not contain any untrue statement of a material fact or omit to state a material fact necessary not to make the statements made therein, in light of the circumstances under which such statements were made, misleading with respect to the period covered by the Reports.

3. To the best of my knowledge, the financial statements and other financial information included in the Reports fairly present, in all material respects, the financial position, results of operations and cash flows of the Company as of and for the periods presented in the Reports.

4. I have disclosed to the Company's auditors, the Company's Board of Directors and the Company's Board's Audit Committee (which also acts as the Financial Statement Review Committee) any fraud, whether or not material, that involves the CEO or anyone directly subordinate to the CEO or that involves other employees who have a significant role in the Company's internal control over financial reporting and disclosure.

There is nothing in the aforesaid to derogate from my responsibility or the responsibility of anyone else, pursuant to any law.

Date: November 20, 2016

Dr. Elran Haber, CEO

Chief Financial Officer's Statement:
Pursuant to Regulation 5d(4)(b)-(c) and Regulation 38c(d)(1) to the Israel Securities Regulations (Periodic and Immediate Reports), 1970

Letter of Representation
Chief Financial Officer's Statement

I, Guy Goldin, certify that:

1. I have reviewed the Interim Financial Statements and other financial information included in the Interim Report of Therapix Biosciences Ltd. ("**the Company**") for the third quarter of 2016 ("**the Reports**" or "**the Interim Reports**");

2. To the best of my knowledge, the Interim Financial Statements and other financial information included in the Interim Reports do not contain any untrue statement of a material fact or omit to state a material fact necessary not to make the statements made therein, in light of the circumstances under which such statements were made, misleading with respect to the period covered by the Reports.

3. To the best of my knowledge, the Interim Financial Statements and other financial information included in the Interim Reports fairly present, in all material respects, the financial position, results of operations and cash flows of the Company as of and for the periods presented in the Reports.

4. I have disclosed to the Company's auditors, the Company's Board of Directors and the Company's Board's Audit Committee (which also acts as the Financial Statement Review Committee) any fraud, whether or not material, that involves the CEO or anyone directly subordinate to the CEO or that involves other employees who have a significant role in the Company's internal control over financial reporting and disclosure.

There is nothing in the aforesaid to derogate from my responsibility or the responsibility of anyone else, pursuant to any law.

Date: November 20, 2016

CPA Guy Goldin, CFO and Company Secretary

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